

May 6, 2009

**WASHINGTON DC** -Rep. Dan Lungren (R-CA), member of the House Judiciary Committee, was instrumental in crafting the Fraud Enforcement and Recovery Act which passed today. Lungren released the following statement:

"I am pleased to report that the False Claims Act which I introduced with my colleague Howard Berman was adopted in the Fraud Enforcement and Recovery Act. The FCA provides individual 'whistle blowers' the authority to bring actions in support of the Department of Justice against government contractors who defraud American taxpayers.

"I am deeply concerned about two pressing problems that are particularly relevant to Californians: mortgage fraud and drug trafficking. **The Fraud Enforcement and Recovery Act will improve enforcement of mortgage and securities fraud, as well as other frauds through TARP and other federal assistance programs. The Act also expands federal money laundering statutes, through a provision I introduced a number of weeks ago. This provision will allow prosecution of criminals who defraud American homeowners as well as those who transport drug trafficking proceeds.**

"This legislation will strengthen the False Claims Act first adopted during the Lincoln Administration. I helped revive the law in 1986 during the Reagan Administration. It has been a source of deep disappointment for me to see the law diluted by the courts. The False Claims Act amendments will put teeth in this vital taxpayer protection.

"If we have learned anything from this current economic crisis, it is that criminals engaged in

mortgage fraud and other crimes do not always keep meticulous financial records. As it stands now, these criminals are exempt from money laundering charges unless their books demonstrate that their illicit activities have resulted in an actual profit. This unfortunate interpretation turns the money laundering statute on its head. We cannot continue to allow criminals to accumulate and manipulate large quantities of cash to support luxurious lifestyles at the expense of the hard-working American public."

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Congressman Dan Lungren serves as Ranking Member on the House Administration Committee in addition to serving on the Judiciary and Homeland Security committees